Foundations of MARKETING
Seventh Edition

Chapter 17

Personal Selling and Sales Promotion

Pride | Ferrell

use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Learning Objectives

17-1 Describe the major purposes of personal selling.

17-2 Summarize the seven basic steps in the personal selling process.

17-3 Identify the types of sales force personnel.

17-4 Define team selling and relationship selling.

17-5 Discuss eight major decisions in sales management.

17-6 Describe sales promotion activities and their use.

17-7 Review specific consumer sales promotion methods.

17-8 Investigate trade sales promotion methods.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Personal Selling

Personal selling - paid personal communication that attempts to inform customers and persuade them to buy products in an exchange situation

- Gives marketers freedom to adjust a message to satisfy customers' information needs
- Enables marketers to focus on the most promising sales prospects
- Most effective way to form relationships with customers
- Most critical with business-to-business transactions involving purchase of expensive products

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Careers in Personal Selling

A sales careers offers

- Flexible hours
- Potential for high earnings
- High degree of job satisfaction
- New technologies make personal selling faster, more efficient and easier

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Requirements for the Sales Personnel

- High levels of professionalism, technical skills, and interpersonal skills
- Well trained regarding both the products and the selling process
- Awareness of the competitors
- Function as knowledge experts for the firm
- Provide key information for marketing decisions

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

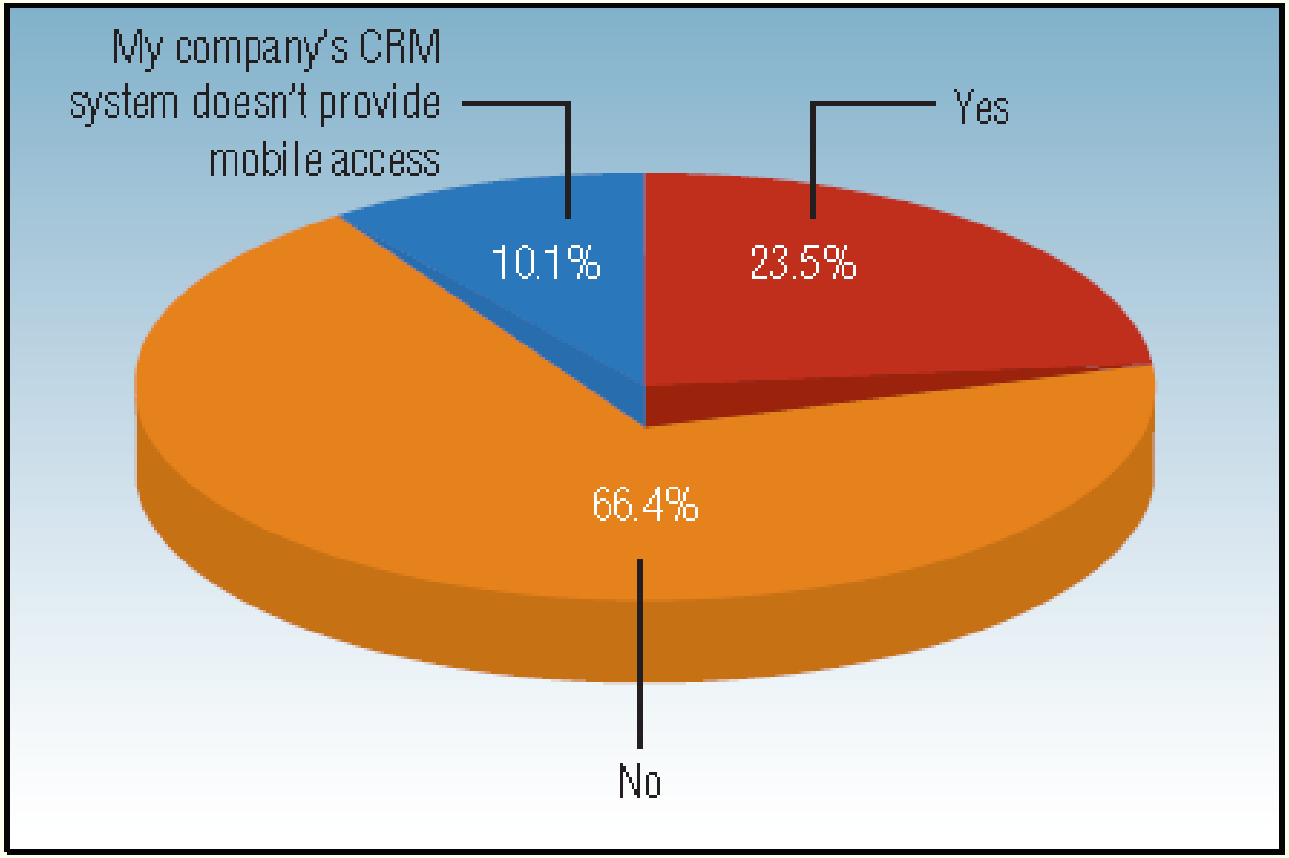
Technology in Personnel Selling

- Customer information - shared through
  - Social media
  - Mobile and Web applications
  - Electronic sales presentations
- Social CRM - provides opportunities to manage data in discovering and engaging customers

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

SNAPSHOT

Do Salespersons Access CRM Systems through Their Smartphones?



© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

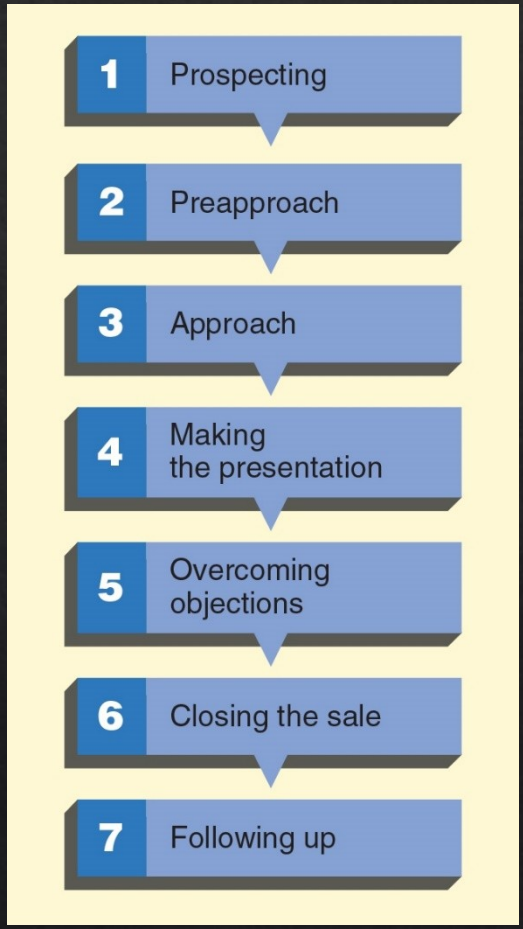
Customer Management

Sales function is a part of a cross-functional strategic solution to customer management.

- Customer satisfaction is key for repeat sales.
- The burden of customer satisfaction falls on salespeople.
- Collaboration between sales and other marketing areas is related to market orientation that puts the customer first.
- Salespersons need both managerial and strategic skills.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Figure 17.1 - General Steps in the Personal Selling Process



© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Prospecting

Prospecting - developing a database of potential customers

- Sources for the names of the potential customers
  - Company sales records and trade shows
  - Commercial databases
  - Newspaper announcements and public records
  - Telephone directories
  - Trade association directories
  - Traditional and online advertisements
  - Customer referrals
- Salespeople prefer to use recommendation from current customers.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Preapproach

Salespeople analyze information about the prospect's needs before contacting them.

- Identify key decision makers.
- Review account histories and problems.
- Contact other clients for information.
- Assess credit histories and problems.
- Prepare sales presentations.
- Identify product needs.
- Obtain relevant literature.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Approach

Approach – the manner in which a salesperson contacts a potential customer

- Approach is a critical step because the first impression of the salesperson may be long-lasting.
- A relationship with the prospect must be created
- Typical approaches
  - Referrals
  - Cold canvassing
  - Repeat contact

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point - Prospecting

Adriano Castelli/Shutterstock.com

Companies often engage in prospecting at trade shows, which allow representatives to demonstrate the latest company products and collect information on consumers who might be interested in the preapproach and approach steps of personal selling.

Have you been to a trade show? Did the marketers ask you for your contact information?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Making the Presentation

The presentation should be adapted to the needs of the prospect.

- Attract and hold the prospect’s attention
- Stimulate interest
- Spark a desire for the product

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Overcoming Objections

- Effective salespeople anticipate and counter objections before the prospect raises them.
- The safest approach is to be prepared and handle objections as they arise.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Closing the Sale

Closing - when the salesperson asks the prospect to buy the product

- Trial close - ask questions during the presentation that assume the prospect will buy
- Broad questions – (what, how, why) to gather information
- Focused questions – (who, when, where) to clarify and close the sale
- Attempts to close at several points during the presentation takes place as the prospect may be ready to buy

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Following Up

- Used to determine customers' future product needs
- Determining whether the order was delivered on time and installed properly
- Contacting the customer to learn if any problems or questions regarding the product have arisen

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Types of Salespeople

- Sales structure - Creative selling uses both inside and outside salespersons to manage accounts.
  - Current-customer sales – call on current customers, seeking more sales.
  - New-business sales – locate prospects and convert them into buyers
- **Support personnel** – sales staff members who facilitate selling but usually are not involved solely with making sales
  - **Missionary salespeople** – support salespeople, usually employed by a manufacturer, who assist the producer's customers in selling to their own customers
  - **Trade salespeople** – salespeople involved mainly helping a producer's customers promote a product
  - **Technical salespeople** – support salespeople who give technical assistance to a firm's current customers

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Outside Sales

iStockphoto.com/Jeffrey Smith

Outside salespersons often engage in personal selling through face-to-face interactions. They are required to recognize potential buyers' needs and give them necessary information.

Have you recently had interactions with an outside salesperson?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Types of Selling

- **Team selling** – using a team of experts from all functional areas of a firm, led by a salesperson, to conduct the personal selling process
- **Relationship selling** – building mutually beneficial long-term associations with a customer through regular communications

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Team Selling

iStockphoto.com/michaeljung

Team selling is becoming popular, especially in companies where the selling process is complex and requires a variety of specialized skills.

As a salesperson, would you want to work with a team or work independently?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Managing the Sales Force

- Sales force is directly responsible for generating sales revenue
- Morale and success of a firm's sales force depend on
  - Adequate compensation
  - Room for advancement
  - Sufficient training
  - Management support

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Table 17.1 - Suggestions for Attracting and Retaining a Top Sales Force

Training and development	• On-the-job training • Online individual instruction • Seminars • On-site classroom instruction
Compensation	• Make sure pay mix isn't too risky (high commission, low base) for sales role • Mix base salary with commission, bonus, or both • Base bonuses/commission on reaching sales goals rather than on individual sales dollars • Maintain competitive benefits and expense reimbursement practices
Work/life autonomy	• Offer flexible hours • Consider telecommuting/work-at-home options
Product quality and service	• Ensure products meet customer needs • Provide the appropriate service after the sale

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Establishing Sales Force Objectives

- Sales objectives give a sales force direction and purpose and should be
  - Stated in precise, measurable terms
  - Specific about time periods and geography
- Objectives are established for
  - Entire sales force - sales volume, market share, profit
  - Individuals - dollars or unit sales volume

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Methods to Determine Sales Force Size

- Divide the number of sales calls per year by the average number of individual salesperson's calls annually
- Marginal analysis - additional salespeople added to the sales force until the cost of an additional salesperson equals the additional sales generated by that person

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Recruiting and Selecting Salespeople

Recruiting – developing a list of qualified applicants for sales positions

- Sources of recruitment
  - Departments within the firm
  - Other firms
  - Employment agencies
  - Universities
- Recruitment should be continuous and systematic

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Training Sales Personnel

- Training can be formal or informal and on-the-job.
- Training can be aimed at salespeople at all seniority and experience levels.
- Sales training may be done
  - In the field
  - At educational institutions
  - In company facilities
  - Online using Web-based technology

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Methods and Materials for Training

- Choice of methods and materials depends on
  - Type and number of trainees
  - Program content and complexity
  - Length and location
  - Size of the training budget
  - Number of trainers
  - Trainer’s expertise

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Virtual Sales Training

Source: Citrix Systems, Inc.

GoToMeeting provides a virtual way to participate in sales training and meetings through face-to-face, high-definition video. Its technology can be accessed through computers, tablets, and smartphones.

Why is online training so popular? Do you like online training?

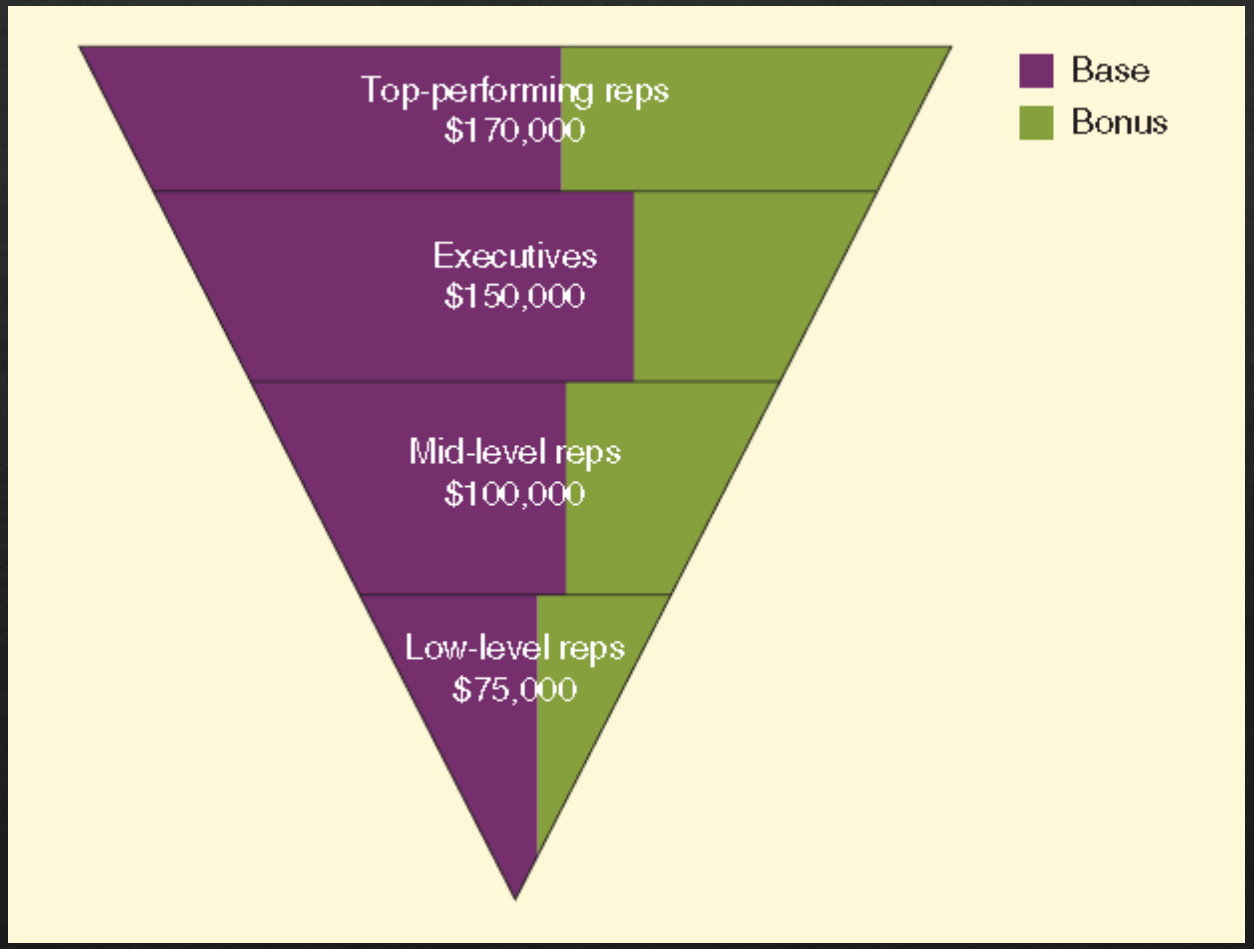
© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Compensating Salespeople

- Compensation should be flexible, equitable, and easy to administer.
- Characteristics of a good compensation plan
  - Gives sales management the desired level of control
  - Provides sales personnel with acceptable levels of income, freedom, and incentive
  - Should facilitate and encourage proper treatment of customers

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Figure 17.2 – Average Salaries for Sales Representatives



© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Compensating Salespeople (continued)

- **Straight salary compensation plan** – paying a specified amount per time period, regardless of the selling effort
- **Straight commission compensation plan** – paying according to the amount of the sales in a given time period
- **Combination compensation plan** – paying a fixed salary plus commission based on sales volume

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Table 17.2 - Characteristics of Sales Force Compensation Methods

Compensation Method	When Especially Useful	Advantages	Disadvantages
Straight salary	Compensating new salespeople; firm moves into new sales territories that require developmental work; sales requiring lengthy presale and postsale services	Gives salespeople security; gives sales managers control over salespeople; easy to administer; yields more predictable selling expenses	Provides no incentive; necessitates closer supervision of salespeople; during sales declines, selling expenses remain constant
Straight commission	Highly aggressive selling is required; nonselling tasks are minimized; company uses contractors and part-timers	Provides maximum amount of incentive; by increasing commission rate, sales managers can encourage salespeople to sell certain items; selling expenses relate directly to sales resources	Salespeople have little financial security; sales managers have minimum control over sales force; may cause salespeople to give inadequate service to smaller accounts; selling costs less predictable
Combination	Sales territories have relatively similar sales potential; firm wishes to provide incentive but still control sales force activities	Provides certain level of financial security; provides some incentive; can move sales force efforts in profitable direction	Selling expenses less predictable; may be difficult to administer

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Motivating Salespeople

- Additional efforts beyond compensation are necessary for motivation.
- Managers must identify their employees' needs and goals and strive to create a positive organizational climate.
- Incentives programs pay for themselves by making workers happier and more committed.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Managing Sales Territories

- Factors to consider while deciding on territories
  - Size
  - Geographic shape
  - Routing
  - Scheduling
- Creating sales territories
  - Creation of territories with measurable sales potential
  - Balance sales/earning potential and workload travelling throughout the territory

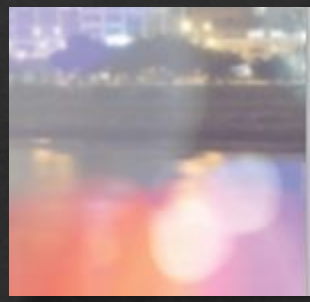
© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

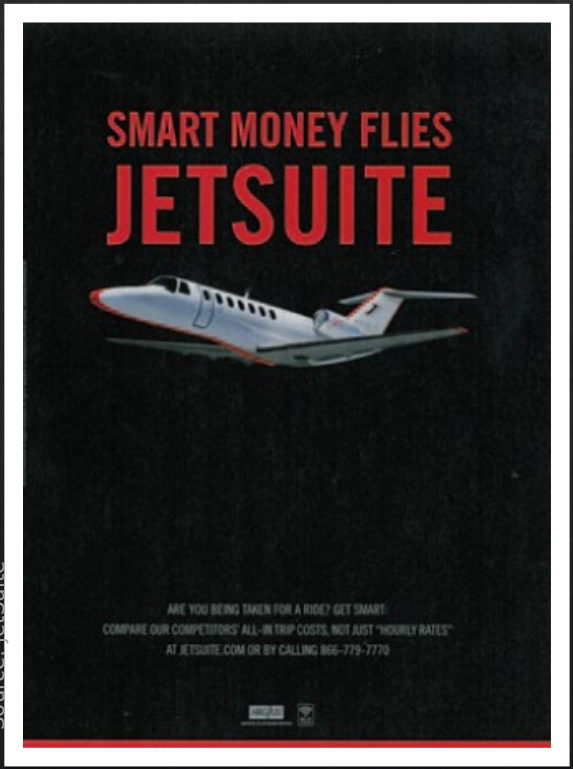
Routing and Scheduling

- Routing and scheduling salespeople
  - Geographic size and share of sales territory
  - Number and distribution of customers
  - Some firms have salespeople make their own routes/schedules.
  - Goal - to minimize nonselling times and travel expenses

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Managing Sales Territories




SMART MONEY FLIES
JETSUITE
ARE YOU BEING TAKEN FOR A RIDE? GET SMART.
COMPARE OUR COMPETITORS' ALL-IN TRIP COSTS, NOT JUST "HOURLY RATES"
AT JETSUITE.COM OR BY CALLING 866-779-7770

Source: JetSuite

The JetSuite advertisement suggests that its services can save businesses money. Although it might cost more than traditional airlines, JetSuite could be appealing to a sales manager who wants a more flexible option to maximize selling time and minimize nonselling time.

How does booking a more expensive flight save businesses money?

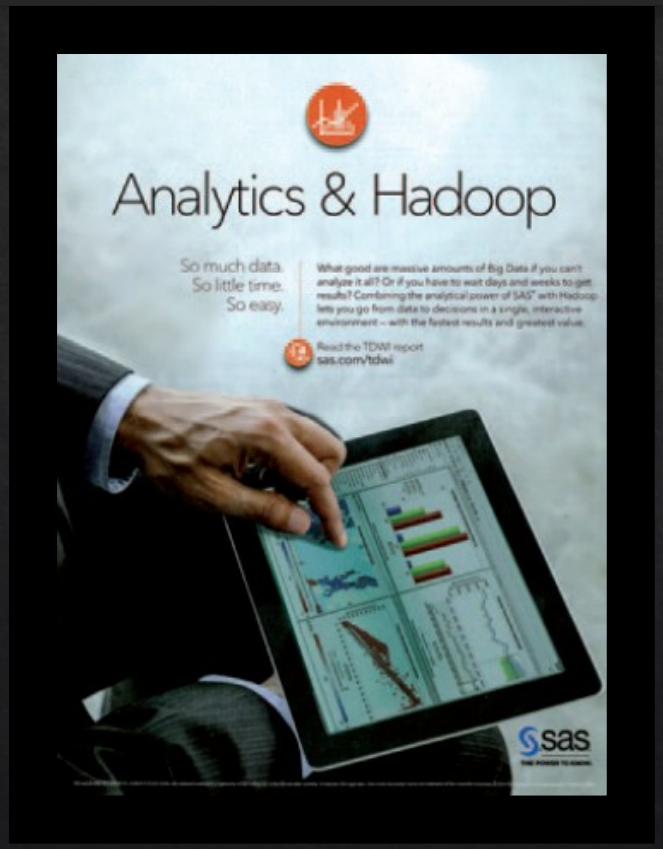
© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Controlling and Evaluating Sales Force Performance

- Information needed by managers
  - Salespersons' call reports
  - Customer feedback and invoices
- Dimensions used to measure performance are determined by sales objectives
  - Calls per day and cost per call
  - Average sales per customer and gross profit per customer
  - Actual sales versus sales potential
  - Number of new customer orders

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Evaluating Sales Performance


Analytics & Hadoop
So much data.
So little time.
So easy.
What good are massive amounts of Big Data if you can't analyze it all? Or if you have to wait days and weeks to get results? Combining the analytical power of SAS® with Hadoop lets you go from data to decisions in a single, interactive environment – with the fastest results and greatest value.
Read the TDWI report
sas.com/tdwi
sas

Source: SAS Institute Inc.

SAS and Hadoop have combined to increase their ability to analyze big data. Companies can use their data analytics to evaluate the effectiveness of their sales force.

What factors do you think should be evaluated to determine a salesperson's performance?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Sales Promotion

- **Sales promotion** – an activity or material that acts as an inducement either to
  - Resellers and salespeople to sell a product
  - Consumers to buy it
- Factors to determine the best consumer sales promotion methods
  - Product characteristics
  - Target market characteristics
- Sales promotion is used more than ever at the expense of advertising

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Consumer Sales Promotion Methods

- **Consumer sales promotion methods** – encourage consumers to patronize specific stores or try particular products
- **Coupons** – written price reductions used to encourage consumers to buy a specific product
- **Cents-off offers** – promotions that allow buyers to pay less than the regular price to encourage purchase
- **Money refunds** – techniques that offer consumers a specified amount of money when they mail in a proof of purchase, usually for multiple product purchases
- **Rebates** – consumer receives a specified amount of money for making a single product purchase

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Print Coupons

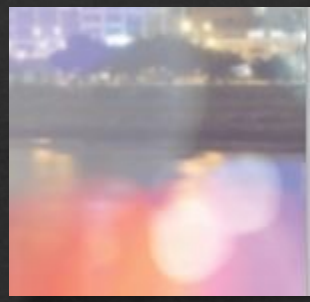
Source: Unilever

Unilever has attached a manufacturer's coupon to an advertisement for its Caress Beauty Bar to encourage product purchase.

How often do you see coupons attached to a product?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point - Cents-Off Offer



THE ULTIMATE OFF-ROAD ADVENTURE!
WATERFALL
RESORT
Book Now and Grab 30% Off!
Catch Waterfall Resort's most affordable two-night package and save. Contact us for details.
800.544.5125
WATERFALL RESORT ALASKA
Legendary Sport Fishing

Source: Waterfall Resort and The Waterfall Group, LTD.

Waterfall Resort Alaska offers a 30 percent discount for consumers who book their reservations during a certain period of time.

How often do you get cents-off offers for products or services?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Consumer Sales Promotion Methods (continued)

- Frequent-user incentives – many firms develop incentive programs to reward customers who engage in repeat or frequent purchases
- **Point-of-purchase (POP) materials** – signs, window displays, counter pieces, etc. designed to attract attention and inform customers
- **Demonstrations** – sales promotion methods a manufacturer uses temporarily to encourage trial use and purchase of a product or to show how a product works
- **Free samples** – samples of a product given out to encourage trial or purchase

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Consumer Sales Promotion Methods (continued)

- **Premiums** – items offered free or at a minimal cost as a bonus for purchasing a product
- **Consumer contests** – individuals compete for prizes based on their analytical or creative skills
- **Consumer games** – individuals compete for prizes based primarily on chance
- **Consumer sweepstake** – entrants submit their names for inclusion in a drawing for prizes

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point - Premium

Source: Wal-Mart Stores, Inc.

Walmart offers a premium of free movie credits as a bonus for purchasing packages of Kleenex from the store.

Do you choose to shop at specific stores because of the premiums they offer?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Discussion Point – Consumer Game

Tim Boyle/Getty Images

McDonald's Monopoly is a popular consumer game that gives customers the opportunity to win the purchase of McDonald's products.

Do you participate in consumer games?

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Coupon Advantages

- Effective for brand awareness
- Reward present users
- Win back former users
- Encourage purchases in large quantities
- Are traceable to target market
- Electronic coupons are low-cost, have greater targeting ability, and have data-gathering capabilities

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Coupon Disadvantages

- Fraud and misredemption
- Many customers will not buy without a coupon.
- Brand loyalty diminished
- Some customers will only redeem coupons for products they normally buy.

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Trade Sales Promotion Methods

Trade sales promotion methods are methods intended to persuade wholesalers and retailers to carry and aggressively market a producer's product

- Counter the effect of lower-priced store brands
- Pass along a discount to a price-sensitive market segment
- Boost brand exposure among target customers
- Provide incentives to move excess inventory

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Trade Allowance

- **Buying allowance** – a temporary price reduction offered to resellers for purchasing specific quantities of a product
- **Buy-back allowance** – a sum of money given to a reseller for each unit bought after an initial promotion deal is over
- **Scan-back allowance** – manufacturer's reward to retailers based on the number of pieces scanned
- **Merchandise allowance** – a manufacturer's agreement to pay resellers certain amounts of money for providing special promotional efforts

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Cooperative Advertising and Dealer Listings

- Cooperative advertising – an arrangement in which a manufacturer agrees to pay a certain amount of a retailer's media costs for advertising the manufacturer's products
- Dealer listings - advertisements that promote a product and identify the names of retailers that sell the product

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Free Merchandise and Gifts

- **Free merchandise** - manufacturer's reward given to resellers that purchase a stated quantity of products
- **Dealer loader** – a gift given to a retailer that purchases a specified quantity of merchandise

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for

Premium Money and Sales Contest

- Premium money (push money) - additional compensation to salespeople for pushing a line of goods
  - Appropriate for personal selling is important to the marketing effort
  - Not effective for promoting products sold through self-service
- **Sales contest** - used to motivate distributors, retailers, and sales personnel through recognition of outstanding achievement

© 2017 Cengage Learning. All Rights Reserved. May not be copied, scanned, or duplicated, in whole or in part, except for use as permitted in a license distributed with a certain product or service or otherwise on a password-protected website for